

Presentment Date: June 1, 2022

SRF 61725

Objection Deadline: May 31, 2022 at 4:00 p.m. (AST)

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**NOTICE OF PRESENTMENT OF PROPOSED ORDER GRANTING THE THREE
HUNDRED SIXTY-FIFTH OMNIBUS OBJECTION (SUBSTANTIVE) OF THE
COMMONWEALTH OF PUERTO RICO TO MISCLASSIFIED AND OVERSTATED
CLAIMS (ECF NO. 17932)**

PLEASE TAKE NOTICE that, on May 24, 2022, the Commonwealth of Puerto Rico (the “Commonwealth,” or the “Debtor”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and*

The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Economic Stability Act (“PROMESA”),² hereby submits a Notice of Presentment of Proposed Order Granting the Three Hundred Sixty-Fifth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Misclassified and Overstated Claims (this “Notice”).

PLEASE TAKE FURTHER NOTICE that, on August 20, 2021, the Commonwealth, by and through the Oversight Board, filed the *Three Hundred Sixty-Fifth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Misclassified and Overstated Claims* [ECF No. 17932] (the “Three Hundred Sixty-Fifth Omnibus Objection”) to the proofs of claim listed on Exhibit A thereto.

PLEASE TAKE FURTHER NOTICE that the Three Hundred Sixty-Fifth Omnibus Objection was initially scheduled for hearing on October 6, 2021, and was subsequently adjourned, pursuant to notices, to the January Claim Objection Hearing (as defined below).

PLEASE TAKE FURTHER NOTICE that any party against whom the Three Hundred Sixty-Fifth Omnibus Objection was served, or any other party to the Debtors’ Title III cases who objected to the relief sought therein, was required to file and serve a response to the Three Hundred Sixty-Fifth Omnibus Objection with the clerk’s office of the United States District Court for the District of Puerto Rico by 4:00 p.m. (Atlantic Time) on September 20, 2021 (the “Response Deadline”).

PLEASE TAKE FURTHER NOTICE that, as set forth in Exhibit C to the Three Hundred Sixty-Fifth Omnibus Objection, if no responses were filed by the Response Deadline, the Three Hundred Sixty-Fifth Omnibus Objection “will be deemed unopposed and may be granted unless: (1) the requested relief is forbidden by law; (2) the requested relief is against public policy;

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

or (3) in the opinion of the court, the interest of justice requires otherwise.” Ex. C to Three Hundred Sixty-Fifth Omnibus Objection, ECF No. 17932-4, at 2.

PLEASE TAKE FURTHER NOTICE that, on December 8, 2021, this Court entered the *Order Regarding Adjourned Omnibus Objections to Claims* [ECF No. 19461] (the “Order Regarding Adjourned Omnibus Objections”), scheduling hearings on January 19-20, 2022, at 9:30 a.m. (Atlantic Time) (the “January Claim Objection Hearing”), and February 16-17, 2022, at 9:30 a.m. (Atlantic Time) (the “February Claim Objection Hearing,” and together with the January Claim Objection Hearing, the “Claim Objection Hearings”), to consider, *inter alia*, the Three Hundred Sixty-Fifth Omnibus Objection. Order Regarding Adjourned Omnibus Objections at 1.

PLEASE TAKE FURTHER NOTICE that, as of the filing of this Notice, the Claimant associated with Proof of Claim No. 33429, listed on Exhibit A hereto has responded to the Three Hundred Sixty-Fifth Omnibus Objection (the “Claim to Be Heard”) on or before the Response Deadline via either (i) ECF filing, (ii) mailing to Prime Clerk, LLC (“Prime Clerk”), (iii) mailing to counsel for the Oversight Board, or (iv) mailing to counsel for the Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico (the “UCC”) and forwarded to counsel for the Oversight Board.

PLEASE TAKE FURTHER NOTICE that, at the January Claim Objection Hearing, the Commonwealth prosecuted, and the Court sustained, the Three Hundred Sixty-Fifth Omnibus Objection as to the Claim to Be Heard.

PLEASE TAKE FURTHER NOTICE that, with the exception of the Claim to Be Heard, as of the Response Deadline, the Claimants associated with all other claims listed on Exhibit A hereto failed to respond to or otherwise oppose the Three Hundred Sixty-Fifth Omnibus Objection (the “Claims to Be Reclassified via Notice of Presentment”).

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit B** is a proposed order (the “**Proposed Order**”) reclassifying (1) the Claim to Be Heard and (2) the Claims to Be Reclassified via Notice of Presentment.

PLEASE TAKE FURTHER NOTICE that, pursuant to Paragraph III.H of the Court’s *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190-1], “the presentment of a proposed order for administrative relief must be filed and served at least seven (7) calendar days before the presentment date, and Objections thereto must be filed and served at least one (1) calendar day before the presentment date,” and accordingly, unless a written objection to the Proposed Order is filed with the Court no later than **4:00 p.m. (Atlantic Time) on May 31, 2022**, the relief requested shall be deemed unopposed, and the Proposed Order may be entered without a further hearing.

PLEASE TAKE FURTHER NOTICE that copies of all documents filed in these Title III cases are available (a) free of charge by visiting <https://cases.ra.kroll.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court’s website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

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Dated: May 24, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Brian S. Rosen

Martin J. Bienenstock

Brian S. Rosen

(Admitted *Pro Hac Vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

brosen@proskauer.com

*Attorneys for the Financial Oversight and
Management Board for Puerto Rico, as
representative for the Commonwealth of
Puerto Rico*

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

Carla García Benítez

USDC No. 203708

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

Email: Hermann.bauer@oneillborges.com

*Co-Attorneys for the Financial Oversight and
Management Board for Puerto Rico, as
representative for the Commonwealth of
Puerto Rico*

Exhibit A

Schedule of Claims Subject to Three Hundred Sixty-Fifth Omnibus Objection

Three Hundred and Sixty-Fifth Omnibus Objection
Exhibit A - Claims to Be Partially Disallowed and Partially Reclassified

CLAIMS TO BE RECLASSIFIED

MODIFIED CLAIMS

NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
1 GERENA LOZADA, AUDRY P O BOX 9728 PLAZA CAROLINA ST CAROLINA, PR 00988	171319^	Commonwealth of Puerto Rico	503(b)(9)	\$70,000.00	Commonwealth of Puerto Rico	503(b)(9)	\$0.00
		Commonwealth of Puerto Rico	Secured	\$70,000.00	Commonwealth of Puerto Rico	Secured	\$0.00
		Commonwealth of Puerto Rico	Unsecured	\$70,000.00	Commonwealth of Puerto Rico	Unsecured	\$70,000.00
		Subtotal		\$210,000.00	Subtotal		\$70,000.00

Reason: Claimant asserted administrative priority under 11 U.S.C. § 503(b)(9), but proof of claim is not for goods sold and as such claimant is not entitled to administrative priority. The claimant also failed to provide prima facie evidence to support a secured claim. In addition, claimant asserted a total claim amount of \$70,000.00. Accordingly, claim has been reclassified in whole as a general unsecured claim in the amount of \$70,000.00.

^ Claim #171319 also contained on Exhibit A to the 351st Omnibus Claims Objection for Partially Duplicative Claims

Claim #171319 also contained on Exhibit A to the 374th Omnibus Claims Objection for Claims to Be Disallowed

2 HENSON BUSQUETS, VICTOR O PO BOX 78 SAN SEBASTIAN, PR 00685	33429	Commonwealth of Puerto Rico	503(b)(9)	\$1,500,000.00*	Commonwealth of Puerto Rico	503(b)(9)	\$0.00
		Commonwealth of Puerto Rico	Secured	\$1,500,000.00*	Commonwealth of Puerto Rico	Secured	\$0.00
		Commonwealth of Puerto Rico	Unsecured	\$1,500,000.00*	Commonwealth of Puerto Rico	Unsecured	\$1,500,000.00*
		Subtotal		\$4,500,000.00*	Subtotal		\$1,500,000.00*

Reason: Claimant asserted administrative priority under 11 U.S.C. § 503(b)(9), but proof of claim is not for goods sold and as such claimant is not entitled to administrative priority. The claimant also failed to provide prima facie evidence to support a secured claim. In addition, claimant asserted a total claim amount of \$1,500,000. Accordingly, claim has been reclassified in whole as a general unsecured claim in the amount of \$1,500,000.

3 RODRIGUEZ VELAZQUEZ, IRIS O. P.O. BOX 173 GURABO, PR 00778	159079^	Commonwealth of Puerto Rico	Secured	\$300,000.00	Commonwealth of Puerto Rico	Secured	\$0.00
		Commonwealth of Puerto Rico	Unsecured	\$300,000.00	Commonwealth of Puerto Rico	Unsecured	\$300,000.00
		Subtotal		\$600,000.00	Subtotal		\$300,000.00

Reason: The claimant failed to provide prima facie evidence to support a secured claim. In addition, claimant asserted a total claim amount of \$300,000.00. Accordingly, claim has been reclassified in whole as a general unsecured claim in the amount of \$300,000.00.

^ Claim #159079 also contained on Exhibit A to the 351st Omnibus Claims Objection for Partially Duplicative Claims

4 SOCIEDAD ESPECIAL DE PLAZA HATO ARRIBA PO BOX 3005 SAN SEBASTIAN, PR 00685	3319	Commonwealth of Puerto Rico	Secured	\$11,820.00	Commonwealth of Puerto Rico	Secured	\$0.00
		Commonwealth of Puerto Rico	Unsecured	\$11,820.00	Commonwealth of Puerto Rico	Unsecured	\$11,820.00
		Subtotal		\$23,640.00	Subtotal		\$11,820.00

Reason: The claimant failed to provide prima facie evidence to support a secured claim. In addition, claimant asserted a total claim amount of \$11,820.00. Accordingly, claim has been reclassified in whole as a general unsecured claim in the amount of \$11,820.00.

Three Hundred and Sixty-Fifth Omnibus Objection
Exhibit A - Claims to Be Partially Disallowed and Partially Reclassified

NAME	CLAIM#	CLAIMS TO BE RECLASSIFIED			MODIFIED CLAIMS		
		DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
5 TECHNICAL MAINTENANCE SERVICES PO BOX 3826 GUAYNABO, PR 00970	31450	Commonwealth of Puerto Rico	503(b)(9)	\$404.66	Commonwealth of Puerto Rico	503(b)(9)	\$0.00
		Commonwealth of Puerto Rico	Unsecured	\$404.66	Commonwealth of Puerto Rico	Unsecured	\$404.66
		Subtotal		\$809.32	Subtotal		\$404.66
		Reason: Goods listed on claim were received outside of the prescribed 20-day receipt period under 11 U.S.C. § 503(b)(9) and thus not entitled to administrative priority. In addition, claimant asserted a total claim amount of \$404.66. Accordingly, claim has been reclassified in whole as a general unsecured claim in the amount of \$404.66.					
TOTAL		\$ 5,334,449.32*			TOTAL		\$ 1,882,224.66*

Exhibit B

Proposed Order

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to the
Commonwealth.

ORDER GRANTING THE THREE HUNDRED SIXTY-FIFTH
OMNIBUS OBJECTION (SUBSTANTIVE) OF THE COMMONWEALTH OF
PUERTO RICO TO MISCLASSIFIED AND OVERSTATED CLAIMS

Upon the *Three Hundred Sixty-Fifth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Misclassified and Overstated Claims* (Docket Entry No. 17932) (the “Three Hundred Sixty-Fifth Omnibus Objection”), filed by the Commonwealth of Puerto Rico (the “Commonwealth” or the “Debtor”), dated August 20, 2021, for entry of an order reclassifying certain claims filed against the Commonwealth, as more fully set forth in the Three Hundred Sixty-

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Fifth Omnibus Objection and supporting exhibits thereto; and the Court having jurisdiction to consider the Three Hundred Sixty-Fifth Omnibus Objection and to grant the relief requested therein pursuant to PROMESA section 306(a); and venue being proper pursuant to PROMESA section 307(a); and due and proper notice of the Three Hundred Sixty-Fifth Omnibus Objection having been provided to those parties identified therein, and no other or further notice being required; and upon the *Notice of Presentment of Proposed Order Granting the Three Hundred Sixty-Fifth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Misclassified and Overstated Claims*, dated May 24, 2022 (Docket Entry No. ____, the “Notice”), for entry of an order reclassifying the Claim to Be Heard (as defined below) and the Claims to Be Reclassified via Notice of Presentment², as more fully set forth in the Notice; and upon the record of the hearing held on the Three Hundred Sixty-Fifth Omnibus Objection on January 19-20, 2022, and the rulings made therein, sustaining the Three Hundred Sixty-Fifth Omnibus Objection as to Proof of Claim No. 33429 (the “Claim to Be Heard”) on the grounds that the claimant has not provided any valid basis for asserting a priority or secured claim; and the Court having determined that the relief sought in the Three Hundred Sixty-Fifth Omnibus Objection is in the best interests of the Commonwealth, its creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Three Hundred Sixty-Fifth Omnibus Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED that the Three Hundred Sixty-Fifth Omnibus Objection is GRANTED as set forth herein; and it is further

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Notice.

ORDERED that the Claim to be Heard and the Claims to Be Reclassified via Notice of Presentment (collectively, the “Claim to Be Reclassified”) are hereby reclassified, such that the Claims to Be Reclassified shall now only be considered claims asserted as general unsecured claims, as set forth in the column titled “Modified Claim” in Exhibit A to the Three Hundred Sixty-Fifth Omnibus Objection, respectively; and it is further

ORDERED that the Debtors’ right to object to the Claims to Be Reclassified is reserved; and it is further

ORDERED that this Order resolves Docket Entry No. 17932 in Case No. 17-3283; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

SO ORDERED.

Dated: _____, 2022
San Juan, Puerto Rico

LAURA TAYLOR SWAIN
United States District Judge